Special Session Summary  Consumer Reactions to Marketing Practices: Skepticism, Suspicion, and Payback

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SESSION OVERVIEW

There are a number of reasons to believe that consumers have become increasingly concerned about the practices of marketers. For instance, books criticizing common marketing practices, such as Eric Schlosser’s Fast Food Nation and Naomi Klein’s No Logo, have become best sellers. Political groups have generated considerable consumer awareness about business practices they view as questionable. Even well-known companies that normally hold positions of high esteem have found themselves in the midst of controversy. For instance, Nike was accused of using child labor to manufacture its products, while McDonalds and Starbucks have been accused of paying their employees less than a living wage. Similar criticisms have focused on the advertising of companies like Walmart, who are accused of misleading consumers with their claim, “Always the low price—always.”

Consumer trust in business has also declined noticeably. For instance, Nye et al. (1997) found that the proportion of people who are cynical of major corporations has doubled in the last 30 years. Other evidence suggests that consumer distrust focuses more on some industries than others. A recent poll by Ipsos-Reid (2003) found the advertising industry was close to the bottom in terms of consumer trust (only 17% of respondents trusted this industry), whereas the medical research industry (62%) and the tourism industry (57%) were trusted by the majority of consumers. Advertising Standards (a regulatory group in Canada) recorded a two fold increase in consumer complaints about advertising between 1997 and 2001 (www.adstandards.com). A similar trend has been observed in the willingness of consumers to withhold patronage from companies they perceive as engaging in political or social abuses. In fact, over 800 products are currently the target of consumer boycotts around the world.

The scrutiny that consumers exercise towards marketing can take many forms, ranging from healthy skepticism involving increased attention to the activities of the marketer, to more negative reactions involving general suspicion towards marketers, or even action against companies in the form of boycotts. Recent trends suggest a need to better understand the types of reactions consumers have towards marketing tactics. This special topics session examined consumer awareness of different marketer tactics. Each paper paid particular attention to the underlying psychological mechanisms involved. Specifically, the papers described in this session examined the skepticism, suspicion, and blame that can result when consumers learn or suspect that marketers are behaving in questionable ways. The papers also examine the behavior directed towards the target company, as well as towards marketing in general. Finally, some of the papers also examine counter-measures that marketers can use to stem these reactions.

The discussant, Meg Campbell, helped to integrate the findings of the three papers. This discussion focused on distinctions between the types of consumer reactions that tend to be evoked by ulterior motives attributed to marketers, versus the more negative reactions that tend to be evoked when marketers break important social norms of being truthful, or when they break other ethical principles. Particular attention was paid to the information processing involved in the effects that skepticism, suspicion and blame have on consumer judgment and behavior, especially the similarities and important distinctions between these processes.
a consumer believes a marketer is suggesting a default that appears to be in the firm’s best interests but not the consumer’s interests, consumers may be less likely to choose an alternative when it is the default than when no default is indicated.

In our story about default effects, then, the consumer is not inattentive but skeptical and alert, reflecting that defaults can invoke the marketplace metacognition of the consumer to help him/her better predict the value of each alternative (Friestad and Wright 1994, Wright 2002). We present three studies to support our information-based explanation for default effects. In Study 1, we suggest circumstances in which low (less expensive) defaults may be more powerful than high (more expensive) defaults. In Study 2, we show that the strength and direction of the default effect depends on whether or not “marketplace metacognition” is clearly invoked, and whether or not subjects see the marketer as acting for or against the self-interest of the consumer. In Study 3, we distinguish marketplace metacognition from expertise, and show that information-based default effects depend on whether the consumer is motivated and able to use his/her marketplace metacognition to interpret that information.

"One Rotten Apple Spoils the Barrel: Advertising Deception, Defensive Processing, and Consumer Suspicion"

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Robin J. B. Ritchie, University of Western Ontario

Prior research has identified a number of types of advertising claims that are capable of misleading consumers, such as incomplete comparisons and implied superiority claims (Burke et al. 1997; Johar 1995; Shimp and Preston 1981). The current research builds on this work by examining how consumers respond once they discover they have been misled by an ad. In everyday life, consumers may discover an ad is misleading in a number of ways, for instance by detecting the falsehood on the basis of prior experience with the product, by examining the product after seeing the ad and discovering it does not live up to claims, or by learning of the deception through corrective advertising. In general, we propose that such claim-fact discrepancies (Gardner 1975) are likely to lead consumers to become defensive, in the sense they become broadly suspicious towards future advertising claims.

We investigated this idea in a series of experiments. The general procedure used in all studies was to manipulate the deceptive nature of an initial ad, and then examine the effects this deception had on attitudes and information processing relating to a second advertisement. According to the procedure, all subjects were given an initial ad that included claims suggesting the target product was of high quality. Subjects evaluated the product by rating its quality on a number of dimensions, and their responses indicated they generally viewed the product positively. Then, under the guise of an apparent debriefing for the first part of the study, the experimenter told subjects in the deception condition that Consumer Reports had tested the target product and found that it was actually one of the worst models on the market. Control subjects also saw the initial ad and evaluated the product, but this group was not given any additional information about the target product’s performance. Manipulation checks confirmed that the initial ad was viewed as deceptive and also led subjects to feel fooled by the ad, relative to controls. Finally, all subjects were asked to evaluate a second ad. The main measures were attitudes towards the target product in the second ad, and cognitive elaborations of the contents of the ad. Measures of consumer suspicion were also included to test for mediation.

According to dual process theory (Chaiken and Trope 1999), the initial deception was likely to cause consumers to become defensive towards further attempts at persuasion. That is, having been fooled once should make consumers more wary of being persuaded later. Five experiments generally confirmed this prediction by showing that deceptive advertising produced a negative bias in attitudes towards subsequent advertising messages by causing consumers to engage in a combination of defensive systematic processing and defensive heuristic processing. The findings further showed that consumer defensiveness not only applied to the original source of deception, but was also capable of generalizing from one advertiser to the next. These more generalized effects of deception occurred by increasing the level of suspicion consumers felt towards advertising as a whole, in accordance with a heuristic process known as defensive stereotyping (Kunda and Sinclair 1999). The evidence also argued against other potential mediators, such as negative affect and uncertainty. Evidence for the self-protective nature of these reactions was provided in a final experiment, which showed that the negative bias in judgment occurred only when the subjects were the direct victims of advertising deception, and not when subjects learned that other consumers had been the victims of deception.

We also varied the characteristics of the second ad, as well as the source of that ad, in order to identify whether consumer suspicion was more or less likely to generalize under these circumstances. These manipulations included: the strength of supportive advertising claims given in the second ad (strong vs weak arguments), the plausibility of a price discount claim (plausible vs exaggerated), and the prior reputation of the second advertiser (trusted vs unknown). In general, the suspicion that was induced by the initial advertising deception was rather robust, in that a negative bias was observed for every version of the second ad we used. Consumer suspicions also generalized to different product categories, to brand name products, and to ads from a different geographical location.

These findings largely supported the predictions of the dual process framework (Chaiken and Trope 1999), and the heuristic-systematic model in particular (Chen and Chaiken 1999). The results are also compatible with predictions made by other information processing models, especially the Persuasion Knowledge Model (PKM; Friestad and Wright 1994). This concerns the ways in which consumers interpret, evaluate and respond to marketers’ persuasion attempts, as well as the idea that consumers can be defensive towards marketers. The current research provides empirical verification of that consumers can be defensive, and further shows that the scope of these effects can be rather broad. Our research also adds to PKM by identifying deceptive advertising as an important source of consumer defensiveness, and by providing additional ideas about the processes by which such effects may occur (e.g., through defensive stereotyping).

The implication for marketers is that false advertising can seriously undermine the effectiveness of further advertising communications. Given the extent to which consumer suspicions are shown to generalize, marketers should be concerned about the deceptive practices of other advertisers, not only with respect to their immediate competitors, but also with respect to deception that occurs in other product categories, and even in other markets. Our results show that suspicion can generalize across these factors. The findings also imply marketers cannot simply assume they are immune to the effects of false advertising so long as they avoid such practices themselves, or because they have built a positive reputation with consumers in the past. The suspicions of consumers were also shown to apply to such marketers. A potential solution to avoiding consumer suspicion in the first place is for advertisers to use an expectations screening procedure similar to the one pro-

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posed by Gardner (1975), to help ensure that the products live up to the expectations created by ads, and thereby avoid generating consumer suspicion.

“The Effects of Pro-Boycott and Anti-Boycott Communications on the Individual Boycott Decision”
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Sankar Sen, Boston University

Boycotts have become a pervasive and potent expression of consumer discontent in today’s marketplace. Consumers are increasingly willing to withhold patronage to curb perceived market abuses and/or increase corporate sensitivity to their economic, political, and social concerns. Today, over 800 products, not to mention whole states and countries, are current targets for boycotts worldwide. Prior research (Sen, Gurhan-Canli and Morwitz 2001) has drawn on social dilemma theory and reference group theory to demonstrate that consumers’ likelihood of participating in both economic and social-issue boycotts is jointly determined by their perceptions of the boycott’s likelihood of success, their susceptibility to normative influence and the costs they incur in boycotting. More specifically, consumers’ success perceptions are determined by factors such as their expectations of overall participation and efficacy, as well as the message frame inherent in pro-boycott communication whereas the costs they incur in boycotting are determined by their preference for the boycotted product and the availability of substitutes.

This paper builds on our understanding of the individual boycott decision by examining the effects of both pro-boycott (i.e. from the boycotting organization and anti-boycott (i.e. from the boycott target) messages on consumers’ boycott decisions. The importance of understanding such communication effects is underscored by both marketers’ (i.e. the boycott targets) and boycott organizers’ scant knowledge about the characteristics of effective boycott-related communication, which is perhaps the most important and often only instrument of persuasion at their disposal. Like prior research in this domain, this paper draws on social dilemma theory to test the relative effectiveness of three different types of pro-boycott messages on consumers’ willingness to participate in an actual boycott of a prominent U.S. package-goods company over the issue of animal testing. The three messages focus on the benefits of boycotting, the likelihood of boycott success, and the costs (or lack thereof) of boycotting (i.e. by stressing the availability of substitutes) respectively. Moreover, we examine the effects of both consumers’ exposure to an anti-boycott message from the marketer as well as its order relative to the pro-boycott message. We also build on past research on corporate social responsibility (Sen and Bhattacharya 1991) by examining how consumers’ perceptions of the degree of congruence between them and the boycotted firm affects their willingness to boycott and their reaction to boycott-related communications.

We test for these effects in an experimental study that has a 3 (pro-boycott message type: 1=boycott benefits, 2=boycott success likelihood, 3=product substitutability) x 3 (anti-boycott message order: 1=no anti-boycott message, 2=anti-boycott message before pro-boycott message, 3=anti-boycott message after pro-boycott message) between subjects design. Aside from accounting respondents’ boycott intentions, we also obtained their ratings of boycott issue importance, their attributions regarding the cause(s) underlying the boycott call, their beliefs, in general, about boycotts and their beliefs about the relationship between socially responsible actions on the part of marketers and their ability to make high quality products. In a survey administered separately from and prior to the main experiment, we also obtained the same respondent set’s preference for and loyalty to the boycott target’s products, its susceptibility to interpersonal influence and its identification with both the boycotting organization and the boycott target (i.e. the company).

Our results suggest that pro and anti-boycott communications can influence consumers’ boycott participation decisions. We find that pro-boycott communications are most effective when they provide information about how to reduce the costs associated with boycotting (i.e., by providing information about available substitutes). However communications provided by the boycotted firm can reduce or in some cases eliminate the effect of pro-boycott communications. In addition, consistent with past research on corporate social responsibility, we find consumers’ perceptions of congruence between their own characteristics and that of the boycotted firm also affect their willingness to boycott. Although intuitively one might expect customers who perceive high congruence to a boycotted firm to be more immune to pro-boycott communications, we find instead that customers who perceive a high degree of congruence with the boycotted firm are more likely, in the face of pro-boycott communications to participate in the boycott. Finally we find that consumers’ attributions concerning cause(s) underlying the boycott call mediate the effects of pro- and anti-boycott communications and consumers’ perceptions of congruence with the boycotted firm on consumers’ likelihood of boycotting. Specifically consumers’ perceptions of congruence with the boycotted firm affect their attributions (the greater the overlap with the boycotted firm the more likely consumers are to believe the cause of the boycott is controllable by someone, related to factors inside of the boycotted firm and says something about the boycotted firm). Pro- and anti-boycott communications affect whether consumers believe the cause of the boycott is related to factors inside of the boycotted firm. These attributions in turn affect consumers’ willingness to boycott. Overall consumers are more likely to boycott when they believe the cause for the boycott call is controllable by someone, related to factors inside the boycotted firm and when it says someone about the boycotted firm.

REFERENCES


